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VIA ELECTRONIC FILING

The Honorable Jocelyn Boyd
Chief Clerk/Administrator
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, SC 29210

RE: Office of Regulatory Staffs Petition for an Order Requiring Utilities to
Report the Impact of the Tax Cuts and Jobs Act
Docket No. 2017-381-A

Dear Ms. Boyd:

On May 23, 2018, the South Carolina Office of Regulatory Staff ("ORS") filed its Reply to Motions for Reconsideration and Motion for Clarification ("May 23 Motion") with the Public Service Commission of South Carolina ("Commission") in the above-referenced docket. The purpose of this letter is to inform the Commission that South Carolina Electric & Gas Company ("SCE&G" or "Company") is not taking any position with respect to that portion of ORS's May 23 Motion addressing the petitions for rehearing and/or reconsideration filed in this docket; however, there are two paragraphs contained in the wherefore clause of ORS's May 23 Motion which request that the Commission impose a reporting obligation and deadline upon SCE&G. In response to those paragraphs, SCE&G submits this letter and respectfully requests that ORS's requests be denied as it relates to SCE&G.

On Page 4 of ORS's May 23 Motion and specifically, paragraphs 2 and 3 of the wherefore clause, ORS requests that the Commission issue an order "requiring all affected utilities, as defined in Order No. 2018-308, to report to the Commission by June 30, 2018, the estimated savings, and when and how, the Utility proposes to return these tax savings to their ratepayers" and "requiring that by not later than July 31, 2018 all affected utilities submit revised tariffs reflecting the estimate savings attributed to the tax benefits of the Act subject to true-up at a date to be determined by this Commission in a subsequent order and inform the customers of the rate change and the amount of the tax benefit retained by the utility." The request set forth in paragraph 2 is not new (except for the June 30, 2018 date), and

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likewise, the request set forth in paragraph 3 has been made before but in a slightly different context. Regardless, these two requests represent nothing more than another attempt to impose an unnecessary reporting obligation upon SCE&G, which the Commission has already rejected.¹

The Commission's Docket Management System ("DMS") indicates that ORS accepted service of Order No. 2018-308 on April 25, 2018. Assuming the information set forth on DMS is correct, and SCE&G has no reason to believe that it is not, ORS had until May 7, 2018, to request rehearing concerning matters pertaining to electric utilities, and until May 15, 2018, to request rehearing for matters pertaining to natural gas utilities. *See* S.C. Code Ann. § 58-27-2150 (2015) ("After an order . . . has been made by the Commission any party to the proceeding may within ten days after service of notice of the entry of the order . . . apply for rehearing . . ."); *See* S.C. Code Ann. § 58-5-330 (2015) ("Within twenty days after an order . . . is made by the Commission, any party to the action or proceeding may apply for rehearing as to any matter determined in the action or proceeding . . ."). *See also* 10 S.C. Code Ann. Reg. 103-854 (2012). Paragraphs 2 and 3 of the wherefore clause of ORS's May 23 Motion appear to be designed to secure relief that should have been made by way of a petition for rehearing and/or reconsideration; however, ORS did not file a petition for rehearing and/or reconsideration. Moreover, the inclusion of paragraphs 2 and 3 in the wherefore clause of ORS's May 23 Motion cannot act in a manner thereby allowing ORS to now request relief which is otherwise untimely. Therefore, that portion of Order No. 2018-308 with respect to electric and natural gas utilities is final as it relates to SCE&G, and it would be improper for the Commission to impose upon the Company the reporting obligation and deadlines requested by ORS in its May 23 Motion.

By letter dated January 24, 2018, SCE&G informed the Commission that it will make its Natural Gas Rate Stabilization Act filing on June 15, 2018, and will include the necessary pro forma adjustments in that filing to reflect the impact of the federal tax law changes. SCE&G likewise informed the Commission from an electric utility perspective that the impact of the federal tax law changes will be addressed in

¹ On April 6, 2018, ORS filed a document entitled "Motion to Preserve Tax Benefits for Ratepayer" ("April 6 Motion"). As part of its April 6 Motion, ORS requested, among other things, that the Commission institute certain reporting obligations and deadlines upon SCE&G and other utilities. Order No. 2018-308 did not implement the reporting deadlines requested by ORS. Instead and with respect to SCE&G, the Commission ruled, "[f]urther, natural gas utilities, should be prepared to address Tax Act savings in their next Natural Gas Rate Stabilization Act proceedings. For the electric utilities, the issue will be addressed in the next rate case or other proceeding." *See* Commission Order No. 2018-308.

Docket No. 2017-370-E. SCE&G has always believed that these two proceedings are the best mechanisms to address this issue, and Commission Order No. 2018-308 reflects the Company's position.

Based on the foregoing and with respect to SCE&G, the Commission should reject the request of ORS set forth in paragraphs 2 and 3 of the wherefore clause of ORS's May 23 Motion.

If you have any questions or need additional information, please do not hesitate to contact us.

Very truly yours,



K. Chad Burgess

KCB/kms

cc: All Parties of Record